

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

February 21, 2007

In Reply Refer To:
Stingray Pipeline Company, L.L.C.
Docket No. RP07-145-000

Stingray Pipeline Company, L.L.C.
1100 Louisiana Street, Suite 3300
Houston, Texas 77002

Attention: Cynthia A. Corcoran
Chief Compliance Officer and Senior Counsel Specialist

Reference: New Tariff Sheet Listing Non-conforming Agreements

Ladies and Gentlemen:

1. On January 25, 2007, Stingray Pipeline Company, L.L.C. (Stingray) submitted for filing Sub Original Sheet No. 208, for inclusion in its FERC Gas tariff, Third Revised Volume No. 1, reflecting two currently effective potentially non-conforming agreements, and the two agreements referenced in the proposed tariff sheet, to be effective as of their respective effective dates and to remain in effect in accordance with their respective terms. Stingray states that the agreements submitted in the instant filing were inadvertently not included in its December 22, 2006 filing, in Docket No. RP07-120-000, which included 174 currently effective non-conforming and potentially non-conforming agreements.¹ Stingray requests that the Commission accept and make this tariff sheet effective January 21, 2007. The Commission will accept Sub Original Sheet No. 208 to become effective January 21, 2007, as proposed, subject to further review and order of the Commission. The Commission will also accept both of the accompanying agreements, effective on their respective effective dates, subject to further review and order of the Commission.

¹ *Stingray Pipeline Company, L.L.C.*, 118 FERC ¶ 61,040 (2007).

2. Stingray states that the agreements submitted in the instant filing include one interruptible transportation agreement (ITS agreement) and an associated reserve dedication agreement (RDA). Stingray asserts that the ITS agreement directly conforms to the *pro forma* interruptible transportation service agreement in Stingray's currently effective tariff and, therefore, a red-line of the ITS agreement against the current *pro forma* agreement was not submitted because such a comparison would yield no deviations.

3. Regarding the RDA, Stingray indicates it has provided in Exhibit B a detailed narrative describing the potentially non-conforming provisions of the RDA, the effect of such non-conforming provisions on the rights of the parties, and why each such provision does not change the conditions under which service is provided and does not present a risk of undue discrimination. Stingray notes that its *pro forma* RDA for Rate Schedule ITS became effective on June 30, 2006 (RDA Order),² and that it previously did not have a *pro forma* RDA in its tariff. Stingray acknowledges that certain features of the RDA may be inconsistent with the aforementioned RDA Order. However, Stingray asserts the RDA: (1) is a result of arms length negotiations; (2) has been in effect for a significant period of time; and (3) parties have relied on the effectiveness of the agreement in making commercial decisions regarding the level and duration of the discount and other similar commercial valuation decisions, Stingray submits that the Commission should permit the RDA to remain in effect in accordance with its terms.

4. Stingray requests that: (1) the substitute tariff sheet be made effective on January 21, 2007, the effective date for the tariff sheets filed as part of the December 22 filing; (2) to the extent that either of the agreements is found to be non-conforming, the Commission accepts those agreements as non-conforming agreements; and (3) any and all waivers necessary are granted to allow the agreements to be effective as of their respective effective dates and to remain in effect in accordance with their respective terms.

5. Public notice of the instant filing was issued with interventions, comments, and protests due as provided in section 154.210 of the Commission's regulations (18 C.F.R. § 154.210 (2006)). Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.214 (2006)), all timely filed motions to intervene and any motions to intervene out-of-time filed before the issuance date of this order are granted. Granting late intervention at this stage of the proceeding will not disrupt the proceeding or place additional burdens on existing parties. No interventions, comments, or protests were filed.

² *Stingray Pipeline Company, L.L.C.*, 115 FERC ¶ 61,161, *order on clarification and compliance filing*, 117 FERC ¶ 61,028 (2006).

6. Stingray has presented the Commission with Sub Original Sheet No. 208 and, an ITS agreement and associated RDA. These agreements may contain various deviations from Stingray's tariff and features inconsistent with Stingray's RDA Order. The Commission has not completed its review of these service agreements and the tariff sheet. The Commission will accept Sub Original Sheet No. 208, to become effective January 21, 2007, as proposed, subject to further review and order of the Commission. Since the Commission has yet to complete its review of the service agreements, and because they have been in effect for a significant period already, the Commission will also accept the two service agreements accompanying the instant filing, effective on their respective effective dates, subject to further review and order of the Commission.

By direction of the Commission.

Magalie R. Salas,
Secretary.